

QUARTERLY ACTIVITIES REPORT ENDING 31 MARCH 2025

HIGHLIGHTS

- **Health, Safety and Environment**
 - No accidents, injuries, health, or environmental incidents reported during the quarter.
 - Over 4,286 person-hours recorded since the resumption of drilling without reportable safety incidents, with safety meetings conducted before each shift at well sites.
- **Production Test Well Performance Updates: 271-KV06PT and 271-23PT**
 - The second production test well, 271-KV06PT, reached a terminal depth of 631m, confirming sustained gas presence and successful flaring.
 - The first production test well, 271-23PT, previously thought to be impacted by a geological anomaly, has shown increasing gas presence, disproving initial conclusions of a limited reservoir.
 - Gas flow from both wells is steadily improving, aligning with continuous gas indications during drilling.
 - Kinetiko maintains a 100% success rate in encountering gas across all drilled wells, confirming the presence of gas in the southern region of its exploration rights.
 - The production well test program will continue after the optimisation study is completed.
 - Kinetiko launched a drilling optimisation study to assess whether drilling procedures caused a temporary gas block or "skin" effect that may have initially restricted gas flow.
- **Drill Optimisation and Well Performance Improvements**
 - Oilfield Technologies Australia Pty Ltd (OT) provided interim drill optimisation testing results for production test wells 271-06PT and 271-23PT, following gas flow observations.
 - Twenty core samples from both wells, including formation, water, and foam samples, were analysed in OT's lab to replicate field conditions.
 - Initial testing focused on formation permeability, porosity, water saturation, filtration invasion rates, drilling impacts on gas flows, and remediation strategies for past and future wells.
 - Key findings confirm positive geological permeability, but excessive water from drilling techniques temporarily reduced gas flow. OT identified effective remediation strategies to enhance recovery.
 - Preliminary recommendations include optimised drilling consumables and refined completion processes to improve gas production, set to be implemented in April 2025.



- OT provided initial recommendations for increasing gas flows in the first two production wells, with further testing on drill foams and consumables expected to assess if future improvements can be made to the drilling processes.
- **Cash**
 - As of 31 March 2025, Kinetiko maintained a strong financial position with no debt and approximately \$441k in available funds comprising \$177k in cash and \$264k in Afro Gas Development Pty Ltd, an entity incorporated to commence a joint venture with the IDC.

Kinetiko Energy Ltd (ASX: KKO) (Kinetiko or the Company) is developing an energy solution for South Africa focused on commercialising 100% owned advanced shallow conventional gas projects in the Mpumalanga Province. It is pleased to provide the following update on its onshore gas exploration and production development activities during the January – March 2025 quarter.

Gas Production Test Well Performance Update

In February, the Company was pleased to report positive developments in its gas production efforts. (See [ASX Announcement 11 February 2025](#).) The successful gas flaring from the second production test well, 271-KV06PT, and stronger gas observations from the first production test well, 271-23PT, mark significant progress. Initial assessments had suggested inhibited gas production from these wells, despite intersecting gas-rich geology in nearby core holes. This prompted Kinetiko to investigate whether the drilling technique, rather than a geological anomaly, was the cause of the observed inconsistencies.

Second Production Well - 271-KV06PT

Drilling at well 271-KV06PT commenced on 24 October 2024 and reached its planned terminal depth in December. Gas flaring observed during the ongoing testing and dewatering process supported the assumption that the drilling technique used inhibited gas flow (Figure 1). Further testing is being undertaken to determine whether the amount of gas being produced from the well is continuing to increase.

Production Well 271-23PT Update

Production test well 271-23PT, located 5km east of the Majuba power station, was drilled adjacent to a core well that recorded 131.5m of gassy sandstone pay zones and coal seams with gas content approaching 13m³/tonne. Despite strong logging results, the well initially failed to produce commercial gas volumes, prompting continued monitoring by the Company.

Early assessments suggested the well had intersected a small, sealed reservoir compartment. However, further testing - along with insights gained from the completion of well 271-06PT - has since disproven this conclusion. This development was highly encouraging and reaffirmed Kinetiko's 100% success rate in encountering gas flows across all drilled wells to date.



Figure 1: Gas flaring from well 271-06PT

Drill Process Optimisation Program

In March, Kinetiko announced that its drill optimisation program delivered valuable insights into the unique challenges of drilling shallow, low-pressure geology - an inherent characteristic of the Company's tenements. (See [ASX Announcement 19 March 2025](#).)

The drill optimisation program focused on:

- Permeability and porosity of the of the carbonaceous gassy sediments;
- A detailed review of the drilling process including water volumes, pressures and drilling rates;
- Measurement of water penetration into carbonaceous gassy sediments and water removal protocols;
- Impact of drill foams potential to create a potential skin or formation damage; and
- Remediation techniques including the use of surfactants to enhance gas mobility through reservoir formations and for well remediation.

The initial results from the laboratory tests conducted by OT from the production test well data suggested that drilling procedures were the primary cause of the delayed/restricted gas flows observed. Evidence points to significant water invasion into the formation surrounding the wells, which was impeding gas movement.

Several significant adjustments to the drilling process were recommended and are being incorporated. These insights are also being integrated into Kinetiko's geological modeling to refine decision-making for

subsequent wells.

Projected Resource Growth and Future Plans

Kinetiko's existing 6 TCF (2C)¹ contingent resource, equivalent to 1 billion barrels of oil, is expected to grow significantly as a result of the current exploration program. Each well has been positioned based on successful results from prior exploration, which identified extensive gassy pay zones. The results of this program will also aid in converting a portion of the Company's 5.8 TCF of 2U Prospective Resources² into contingent resources.

Following the completion of the drilling optimisation study and recommencement of production test well drilling, Kinetiko's focus will return to the Amersfoort region in the north of tenement ER271, where drilling will commence as part of the joint venture with the South African government's premier infrastructure investment fund, the Industrial Development Corporation to develop a producing gas field at the Amersfoort site.

Information Required by Listing Rule 5.4.1

The Company had cash outflows for exploration and evaluation incurred during the second quarter of the 2025 financial year in the amount of approximately ZAR 12.8m (A\$1.116m) to cover, inter alia:

- Drilling services
- Preparation of a large drilling rig
- Proof-of-Concept GTP project equipment and services
- Wellsite equipment
- Contractor fees
- Consultants
- Owner's Engineer and other Professional services
- Waste Management solutions
- Plant hire
- Environmental auditing and application support
- Salaries, wages and day-rates
- Legal advice
- Office / G&A

¹ Refer to the Company's announcement dated 21 August 2023 titled 'Maiden Gas Reserves & Major Increase in Contingent Resource Confirms Positive Economics & Enormous Scalability'. The Company confirms that it is not aware of any new information or data that materially affects the information included in the announcement dated 21 August 2023 and that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

² The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both a risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially recoverable hydrocarbons.

During the March 2025 quarter, approximately \$234k was paid to directors and their associates for directors', company secretarial, corporate, legal fees and other reimbursements.

Commitment to Domestic Employment

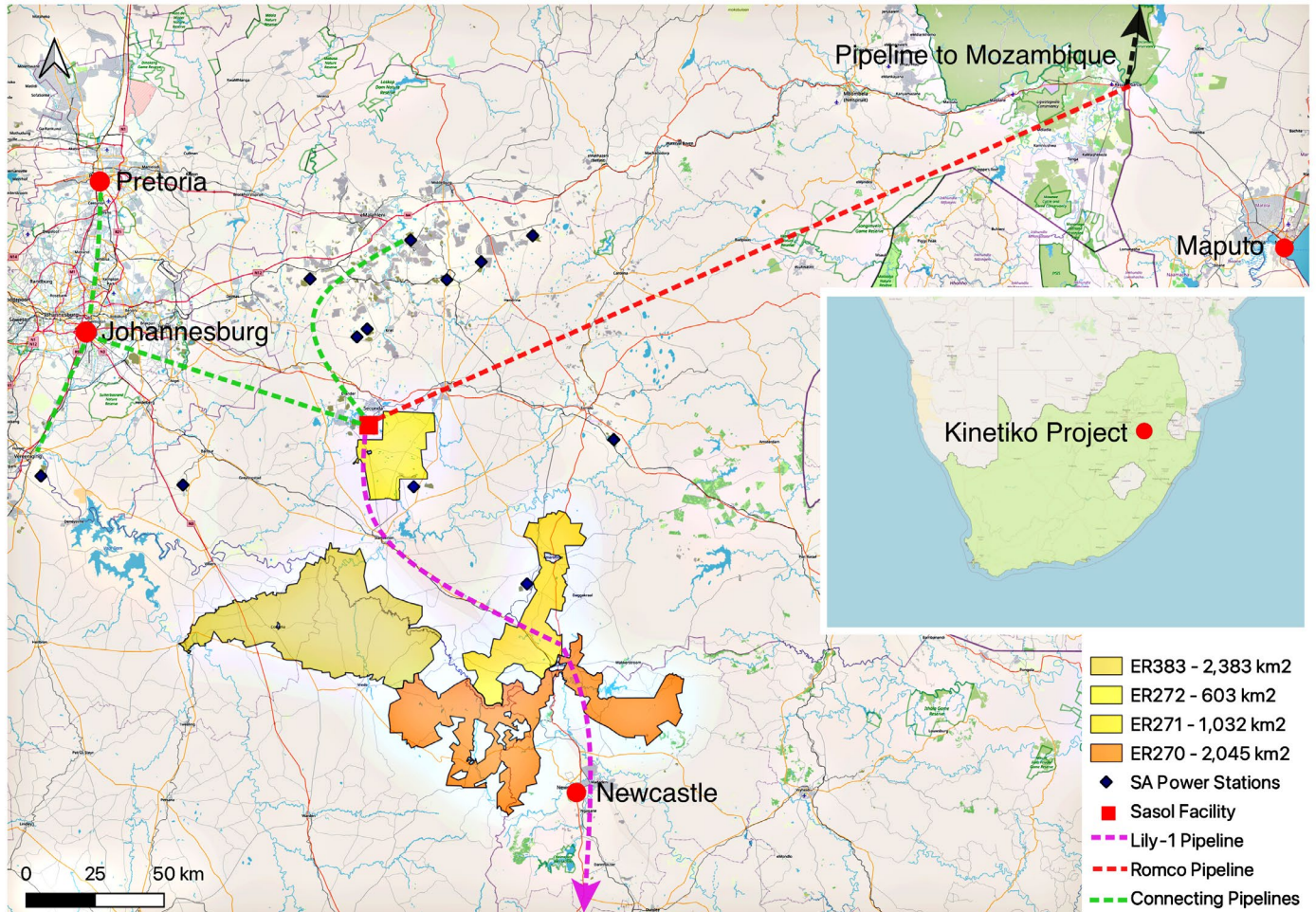
Direct and Indirect Employment from Kinetiko Energy Activities:

The table below illustrates the employment effect of our operational status across the 2025 annum to date:

	Management	Exploration	Environmental	Casual Employment	Skilled	Legal	Sub Total
Local RSA Employment	3	1	0	4			8
Expatriates	2						2
Operations Consultants	2	1	3				6
Suppliers	6	3	5		16	2	32
Total Employment	13	5	8	4	16	2	48

Company	Application
SLR Consulting	Environmental Practitioners
Environmental Drilling Remediation Services	Core and Production drilling rig, casing and related services
Ubuntu Rock Drilling	Top hole and water monitoring well drilling
Cliffe Dekker Hofmeyr	Legal services
Norton Rose Fulbright	Legal services
LOG Projects	Surface and Downhole Equipment and services
OTC	Consultation
Proconics	Design and CoC

Tenement Location and Regional Map



Tenure Status as at 31 March 2025

Tenement reference	Nature of interest
ER383	Application for a new Exploration Right has been accepted by PASA and the Scoping Document in support of the EA application has been submitted by SLR
ER270	Exploration Right granted on 3 September 2019. Renewal granting letter received on 16 Feb 2023. Deed of Renewal signed on 28 June 2023 – valid to 13th June 2025.
ER271	Approval granted by Dept of Mineral Resources (DMR) on 19 August 2021 for consolidation with ER38 and ER56. Renewal granting letter received on 16 Feb 23. Deed of Renewal signed on 28 June 2023 – valid to 13 th February 2025. Renewal application has been submitted Production Right application is ongoing.
ER 272	Exploration Right granted on 21 August 2019 Renewal granting letter received on 16 Feb 23 Deed of Renewal signed on 28 June 2023 - valid to 13 th February 2025. Renewal application has been submitted

Competent Persons and Compliance Statements

Unless otherwise specified, information in this report relating to operations, exploration, and related technical comments has been compiled by Mr Paul Tromp, who has over 40 years of onshore oil and gas field experience. Mr Tromp consents to the inclusion of this information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affect the information included in the relevant market announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

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For more information visit: www.kinetiko.com.au or contact,

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About Kinetiko Energy

Kinetiko Energy is a gas exploration company with a focus on advanced onshore shallow conventional gas opportunities in South Africa.

Kinetiko's tenements are located in South Africa's primary power-producing region, near aging coal-fired power stations and infrastructure. As South Africa shifts towards modern power solutions, the gas from Kinetiko's deposits is expected to provide base load power and act as backup to renewables as part of the country's long-term energy future.

The Company has achieved maiden gas reserves with positive economics and has 6 trillion cubic feet (Tcf) of 2C contingent resources, establishing a substantial world-class onshore gas project.

Kinetiko's vision is to commercialise an energy transition solution for South Africa.

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About Oilfield Technologies Australia Pty Ltd

Oilfield Technologies Australia Pty Ltd (OTP) is a leading provider of advanced drilling optimisation, formation evaluation, and gas flow assurance solutions for the oil and gas industry. Headquartered in Perth, Western Australia, OTP specialises in enhancing well performance, optimising drilling techniques, and implementing innovative reservoir remediation strategies to maximise hydrocarbon recovery.

With a strong focus on onshore and shallow conventional gas formations, OTP integrates state-of-the-art laboratory testing, realtime drilling analytics, and proprietary reservoir stimulation techniques to deliver actionable insights that improve well productivity and long-term field development planning.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

KINETIKO ENERGY LIMITED

ABN

45 141 647 529

Quarter ended ("current quarter")

31 March 2025

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(236)	(629)
	(e) administration and corporate costs	(387)	(1,003)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	5	147
1.5	Interest and other costs of finance paid	(2)	(5)
1.6	Income taxes paid	(18)	(18)
1.7	Government grants and tax incentives	-	-
1.8	Other – net GST and VAT (paid) / refunded	170	98
1.9	Net cash from / (used in) operating activities	(468)	(1,410)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	(688)
	(d) exploration & evaluation	(1,116)	(3,238)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal or in respect of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Loans to other entities/individuals	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(1,116)	(3,926)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(29)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(125)
3.7	Transaction costs related to loans and borrowings	-	(7)
3.8	Dividends paid	-	-
3.9	Funds returned to minority shareholder in respect of contributions to the Afro Gas Development SA (Pty) Ltd joint venture	(283)	(1,401)
3.10	Net cash from / (used in) financing activities	(283)	(1,562)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,287	7,212
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(468)	(1,410)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,116)	(3,926)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(283)	(1,562)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	21	127
4.6	Cash and cash equivalents at end of period	441	441

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	177	1,386
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other – bank balances in Afro Gas Development SA (Pty) Ltd joint venture	264	901
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	441	2,287

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	234
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	N/A		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(468)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,116)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,584)
8.4	Cash and cash equivalents at quarter end (item 4.6)	441
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	441
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.27
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: Yes	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: Yes, subsequent to quarter end the Company entered into a loan agreement for \$200,000 repayable on or before 30 th June 2025. Concurrently, the Company will be required to raise further funding and is considering its options with investigating debt and equity markets.	

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes for the reasons noted in 8.8.2 above.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2025

Authorised by the Board

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.